

### **CLARIFICATION ON LOCAL AREA DEVELOPMENT CHARGES.**

As per MNRE Guidelines for Development of Solar Parks (Annexure-IV: Clause 2.1.1 of Rehabilitation and Resettlement Policy for Solar Parks), 1% of the total investment made for setting up solar power project in the solar park is to be kept aside by the Solar Power Developers (SPDs) for the local area development, under solar park development fund account.

Accordingly, the Solar Power Developers were informed, vide Clause 8.10 of the Draft Implementation and Support Agreement placed on APSPCL website that they have to pay 1% of the total project cost towards local area development fund in addition to the Onetime Solar Park Development Expenses.

In this regard, it has been decided to collect Rs.5 Lakh/MW from Solar Power Developers towards local area development fund in 5 equal instalments @ Rs.1 Lakh/MW/year after COD for 5 years, assuming the Project Cost as Rs. 5 Cr per MW as detailed below:

First Instalment – Rs. 1.0 Lakh/MW to be paid within 30 days from the date of COD  
Second to Fifth Instalments – Rs. 1.0 Lakh/MW to be paid before 30<sup>th</sup> April of subsequent financial year  
Penalty for delayed payment – As per Clause 6.7 of Draft Implementation & Support Agreement